

BOARD MEETING MINUTES

OCTOBER 18, 2016 - FINAL



TRUSTEE AND STAFF ATTENDANCE

Absent	Mr. Kelly Fox, Chair – Olympia Fire District
In Attendance	Mr. Jason Granneman, Vice Chair – Clark County Sheriff's Office
In Attendance	Representative Jeff Holy – Spokane Police Department (Retired)
In Attendance	Representative Kevin Van De Wege – WA State Representative
In Attendance	Senator Judy Warnick – WA State Senator
Absent	Mr. Dwight Dively – King County
Absent	Mr. Wally Loucks – Spokane County Sheriff's Office
In Attendance	Mr. Mark Johnston – Vancouver Fire Department
Absent	Mr. Paul Golnik – WA Fire Commissioners Association
In Attendance	Mr. David Cline – City of Tukwila
In Attendance	Mr. Michael White – Valley Regional Fire Authority

1. WELCOME AND AGENDA OVERVIEW

The LEOFF Plan 2 Retirement Board met at the Middleton Auditorium in Olympia, Washington on October 18, 2016. A quorum of the members was present at this meeting.

OPENING	Executive Director, Steve Nelsen called the meeting to order at 9:00 AM. He welcomed the Trustees and reviewed the agenda for the day.
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2. EXPECTATION INTERVIEW RESULTS

Tim Valencia, Deputy Director, presented the results of the 2016 annual expectation interviews with Trustees conducted by Director Nelsen during the late summer months. He reviewed the process, comparing results from 2012-2016. Director Nelsen stepped in and opened up a discussion with the Board, encouraging open communication if there are any individual expectations or requests not being met. Several Trustees discussed their preference for continuing these one on one interviews with Director Nelsen.

3. MERGER DISCUSSION

Steve Nelsen, Executive Director, discussed the topic of merger. Principles for merger of pension plans listed below, as adopted by both the WSCFF and WACOPS, were reviewed and discussed.

Any merger involving LEOFF Plan 1 and/or LEOFF Plan 2 must include a common set of principles:

1. Must not reduce LEOFF 1 member benefits.
2. Cannot put the funding for LEOFF 1 benefits at risk.
3. Cannot affect LEOFF 1 disability boards.
4. Cannot affect LEOFF 1 member or employer contributions.
5. Cannot modify LEOFF 1 governance.
6. Must receive IRS approval before the effective date of the bill.
7. Must follow state laws and case law protecting pension benefits and funding.
8. Must ensure the new merged fund is protected from future state underfunding.
9. Cannot modify LEOFF 2 governance.
10. Cannot increase LEOFF 2 member or employer contributions.

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4. 2017 PROPOSED MEETING CALENDAR

A calendar of the proposed dates for the 2017 LEOFF 2 Board meetings has been included with October's meeting materials. Director Nelsen asked Trustees to review these proposed dates as well as their schedules in preparation to take action and adopt 2017 meeting dates at the upcoming November or December meeting.

MOTION A motion was made to reschedule the November 23, 2016 meeting to November 9, 2016. The motion was seconded. The motion passed unanimously by the Board. Staff will contact all appropriate parties to facilitate this change in the Board's meeting schedule.

5. FUNDING POLICY DISCUSSION

An open discussion on the topic of funding policy was led by Director Nelsen and Lisa Won, Deputy State Actuary, at the Office of the State Actuary. Director Nelsen asked Ms. Won general questions related to funding to facilitate a Q&A type conversation, with Board members participating in the conversation as well. Staff to send Trustees a link to a previous Board presentation given by Lisa Won on September 25, 2013 related to this discussion as a followup.

6. BOARD SCOPE OF STUDIES/RECOMMENDATIONS

Director Nelsen reviewed a history of the topics the Board has discussed and/or worked on since it was established. A group discussion proceeded with Trustees discussing what they viewed was appropriate for the scope of the LEOFF 2 Board.

7. VIDEO PREMIERE & PRODUCTION SCHEDULE

Paul Neal, Senior Research and Policy Manager, premiered the second educational video "Purchasing an Annuity". A production schedule was shown to the Board for upcoming topics and videos planned. Positive feedback was given as well as suggestions for future videos.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:00 PM.

NEXT MEETING The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for November 9, 2016 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.